

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>LEE TOWNSHIP</b>	County <b>ALLEGAN</b>
Audit Date <b>3/31/04</b>	Opinion Date <b>7/1/04</b>	Date Accountant Report Submitted to State: <b>9/2/04</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:


1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>Siegfried Crandall PC</b>			
Street Address <b>246 East Kilgore Road</b>		City <b>Kalamazoo</b>	State <b>MI</b>
		ZIP <b>49002-5599</b>	
Accountant Signature 		Date <b>9/2/04</b>	

*Township of Lee*  
*Allegan County, Michigan*  
**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**  
*Year ended March 31, 2004*

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**INDEPENDENT AUDITORS' REPORT**

**Township Board  
Township of Lee, Michigan**

We have audited the accompanying general purpose financial statements of the Township of Lee, Michigan, as of and for the year ended March 31, 2004, as listed in the contents. These general purpose financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Lee, Michigan, as of March 31, 2004, and the results of its operations for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and schedules, as listed in the contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Township of Lee, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Siegfried Crandall P.C.*

July 1, 2004

## **GENERAL PURPOSE FINANCIAL STATEMENTS**

**Township of Lee**  
**COMBINED BALANCE SHEET - all fund types and account groups**  
 March 31, 2004

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		<u>Governmental fund types</u>	
		<u>General</u>	<u>Special revenue</u>
ASSETS			
Cash		\$ 884,482	\$ 510,892
Receivables:			
Taxes		11,530	49,238
Special assessments		-	1,723
Accounts		3,267	2,456
Due from other funds		3,614	196,503
Due from other governmental units		43,878	4,902
Fixed assets		-	-
		<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>\$ 946,771</u>	<u>\$ 765,714</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES:			
Accounts payable		\$ 18,323	\$ 19,675
Due to other funds		196,503	1,403
Due to other governmental units		-	10,331
Due to others		-	-
		<u>-</u>	<u>-</u>
Total liabilities		<u>214,826</u>	<u>31,409</u>
FUND EQUITY:			
Investment in general fixed assets		-	-
Fund balance - unreserved, undesignated		<u>731,945</u>	<u>734,305</u>
Total fund equity		<u>731,945</u>	<u>734,305</u>
TOTAL LIABILITIES AND FUND EQUITY		<u>\$ 946,771</u>	<u>\$ 765,714</u>

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<i>Fiduciary fund type</i>	<i>Account group</i>	<i>Totals</i>
<i>Agency</i>	<i>General fixed assets</i>	<i>(memorandum only)</i>
\$ 4,358	\$ -	\$ 1,399,732
-	-	60,768
-	-	1,723
-	-	5,723
-	-	200,117
-	-	48,780
-	1,101,330	1,101,330
<u>\$ 4,358</u>	<u>\$ 1,101,330</u>	<u>\$ 2,818,173</u>
\$ -	\$ -	\$ 37,998
2,211	-	200,117
2,096	-	12,427
51	-	51
<u>4,358</u>	<u>-</u>	<u>250,593</u>
-	1,101,330	1,101,330
-	-	1,466,250
-	1,101,330	2,567,580
<u>\$ 4,358</u>	<u>\$ 1,101,330</u>	<u>\$ 2,818,173</u>

See notes to financial statements

**Township of Lee****COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - all governmental fund types***Year ended March 31, 2004*

	<u>General</u>	<u>Special revenue</u>	<u>Totals (memorandum only)</u>
REVENUES:			
Taxes	\$ 60,955	\$ 228,236	\$ 289,191
Licenses and permits	41,307	-	41,307
Federal grants	-	51,341	51,341
State grants	363,956	4,902	368,858
Contributions from local units	-	14,347	14,347
Charges for services	28,049	-	28,049
Interest	4,595	5,281	9,876
Other	7,080	30,315	37,395
	<u>505,942</u>	<u>334,422</u>	<u>840,364</u>
Total revenues			
EXPENDITURES:			
Legislative	5,343	-	5,343
General government	147,557	-	147,557
Public safety	197,299	88,950	286,249
Public works	118,226	34,961	153,187
Health and welfare	9,223	-	9,223
Culture and recreation	5,866	-	5,866
Debt service:			
Principal	-	49,393	49,393
Interest	-	3,083	3,083
Capital outlay	-	89,929	89,929
	<u>483,514</u>	<u>266,316</u>	<u>749,830</u>
Total expenditures			
EXCESS OF REVENUES OVER EXPENDITURES	22,428	68,106	90,534
FUND BALANCE - BEGINNING OF YEAR	709,517	666,199	1,375,716
FUND BALANCE - END OF YEAR	<u>\$ 731,945</u>	<u>\$ 734,305</u>	<u>\$ 1,466,250</u>

*See notes to financial statements*



**Township of Lee****COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - BUDGET AND ACTUAL - *general and special revenue funds****Year ended March 31, 2004*

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	<i>General</i>		
	<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>
REVENUES:			
Taxes	\$ 59,325	\$ 60,955	\$ 1,630
Licenses and permits	45,000	41,307	(3,693)
Federal grants	-	-	-
State grants	345,783	363,956	18,173
Contributions from local units	-	-	-
Charges for services	32,500	28,049	(4,451)
Interest	5,500	4,595	(905)
Other	4,407	7,080	2,673
	<u>492,515</u>	<u>505,942</u>	<u>13,427</u>
Total revenues			
EXPENDITURES:			
Legislative	5,855	5,343	512
General government	171,833	147,557	24,276
Public safety	200,739	197,299	3,440
Public works	134,615	118,226	16,389
Health and welfare	9,224	9,223	1
Culture and recreation	6,030	5,866	164
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	5,000	-	5,000
	<u>533,296</u>	<u>483,514</u>	<u>49,782</u>
Total expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(40,781)	22,428	63,209
FUND BALANCE - BEGINNING OF YEAR	<u>709,517</u>	<u>709,517</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 668,736</u>	<u>\$ 731,945</u>	<u>\$ 63,209</u>

<i>Special revenue</i>			<i>Totals (memorandum only)</i>		
<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>	<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>
\$ 175,653	\$ 228,236	\$ 52,583	\$ 234,978	\$ 289,191	\$ 54,213
-	-	-	45,000	41,307	(3,693)
51,341	51,341	-	51,341	51,341	-
-	4,902	4,902	345,783	368,858	23,075
13,000	14,347	1,347	13,000	14,347	1,347
-	-	-	32,500	28,049	(4,451)
5,920	5,281	(639)	11,420	9,876	(1,544)
1,511	30,315	28,804	5,918	37,395	31,477
<u>247,425</u>	<u>334,422</u>	<u>86,997</u>	<u>739,940</u>	<u>840,364</u>	<u>100,424</u>
-	-	-	5,855	5,343	512
-	-	-	171,833	147,557	24,276
100,449	88,950	11,499	301,188	286,249	14,939
-	34,961	(34,961)	134,615	153,187	(18,572)
-	-	-	9,224	9,223	1
-	-	-	6,030	5,866	164
49,393	49,393	-	49,393	49,393	-
3,111	3,083	28	3,111	3,083	28
69,500	89,929	(20,429)	74,500	89,929	(15,429)
<u>222,453</u>	<u>266,316</u>	<u>(43,863)</u>	<u>755,749</u>	<u>749,830</u>	<u>5,919</u>
24,972	68,106	43,134	(15,809)	90,534	106,343
<u>666,199</u>	<u>666,199</u>	<u>-</u>	<u>1,375,716</u>	<u>1,375,716</u>	<u>-</u>
<u>\$ 691,171</u>	<u>\$ 734,305</u>	<u>\$ 43,134</u>	<u>\$ 1,359,907</u>	<u>\$ 1,466,250</u>	<u>\$ 106,343</u>

See notes to financial statements

**Township of Lee**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accounting policies of the Township of Lee, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies:

*a) Reporting entity:*

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, these financial statements present the Township. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included. The Township has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a blended or discretely-presented component unit in the Township's financial statements.

*b) Basis of presentation:*

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The financial activities of the Township are recorded in the separate funds and account groups, categorized, and described as follows:

*i) Governmental funds:*

General Fund - this fund is used to account for all financial resources not accounted for in another fund, including the general operating expenditures of the local unit. Revenues are derived primarily from property taxes and state and federal distributions.

Special revenue funds - these funds are used to account for specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action.

*ii) Fiduciary funds:*

Trust and agency funds - these funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Township of Lee**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

*b) Basis of presentation (continued):*

*iii) Account groups:*

General fixed asset account group - Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

*c) Basis of accounting:*

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental and fiduciary fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt, which is recognized when due. Also, expenditures are not divided between years by the recording of prepaid expenses.

*d) Budgets and budgetary accounting:*

The Township follows the procedures in establishing the budgetary data reflected in the financial statements in accordance with the Uniform Budgeting and Accounting Act (Act No. 621, Public Acts of 1978) as prescribed by the State of Michigan.

Budgets for the general and special revenue funds are adopted at the activity level and are on a basis consistent with generally accepted accounting principles.

*e) Receivables:*

All receivables are estimated to be fully collectible as presented.

*f) Property tax revenue recognition:*

Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on February 14, with the final collection date of February 28, after which time the bill becomes delinquent and penalties and interest may be assessed by the Township. Property tax revenue is recognized in the year for which taxes have been levied and become available. The Township levy date is December 1, and, accordingly, the total levy is recognized as revenue in the current year.

**Township of Lee**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

*g) Totals (memorandum only):*

The total column on the combined statements is captioned "memorandum only" to indicate that it is prepared only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation as interfund eliminations have not been made.

**NOTE 2 - CASH:**

*Deposits with financial institutions:*

Deposits are carried at cost and are maintained at various financial institutions in the name of the Township Treasurer. Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Township's deposits are in accordance with statutory authority. At March 31, 2004, the Township has deposits with a carrying amount of \$1,399,732 and a bank balance of \$1,412,493. Of the bank balance, \$301,311 is covered by federal depository insurance and \$1,111,182 is uninsured.

**NOTE 3 - FIXED ASSETS:**

The following is a schedule of changes in general fixed assets of the Township during the year ended March 31, 2004:

	<i>Balance April <u>1, 2003</u></i>	<i><u>Additions</u></i>	<i><u>Deductions</u></i>	<i>Balance March <u>31, 2004</u></i>
Land and land improvements	\$ 68,085	\$ -	\$ -	\$ 68,085
Buildings and improvements	118,922	-	-	118,922
Furniture and equipment	186,466	62,929	-	249,395
Vehicles	405,721	21,000	-	426,721
Water system	<u>238,207</u>	<u>-</u>	<u>-</u>	<u>238,207</u>
	<u>\$1,017,401</u>	<u>\$ 83,929</u>	<u>\$ -</u>	<u>\$1,101,330</u>

**NOTE 4 - LONG-TERM DEBT:**

A summary of long-term debt transactions for the year ended March 31, 2004, is as follows:

Balance - April 1, 2003	\$ 49,393
Retirements	<u>(49,393)</u>
Balance - March 31, 2004	<u>\$ -</u>

**Township of Lee**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES:**

The amounts of interfund receivables and payables at March 31, 2004, are as follows:

<u>Fund</u>	<u>Interfund receivables</u>	<u>Fund</u>	<u>Interfund payables</u>
General	\$ <u>3,614</u>	Tax Collection Revolving Loan	\$ 2,211 <u>1,403</u>
			<u>3,614</u>
Fire	131,211	General	<u>196,503</u>
First Responder	36,965		
Lower Scott Lake	<u>28,327</u>		
	<u>196,503</u>		
	<u>\$200,117</u>		<u>\$200,117</u>

**NOTE 6 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS:**

P.A. 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adopted on the activity basis.

During the year ended March 31, 2004, the Township incurred expenditures in certain budgetary funds, which were in excess of the amounts appropriated.

The following schedule sets forth significant budget variations.

<u>Fund</u>	<u>Function</u>	<u>Activity</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General	Public works	Drains	\$ -	\$ 1,535	\$ 1,535
First Responder	Capital outlay	Capital outlay	-	21,000	21,000
Lower Scott Lake	Public works	Weed control	-	34,961	34,961

**NOTE 7 - RISK MANAGEMENT:**

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for each of these claims and is neither self-insured nor participates in a shared-risk pool. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

***Township of Lee***  
**NOTES TO FINANCIAL STATEMENTS *(Continued)***

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NOTE 8 - CONSTRUCTION CODE ACT:

A summary of construction code enforcement transactions for the year ended March 31, 2004, are as follows:

Revenues	\$41,307
Expenses	<u>42,545</u>
Deficiency of revenues over expenses	<u>\$ (1,238)</u>

## **SUPPLEMENTARY INFORMATION**



**Township of Lee****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - General Fund**

Year ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property taxes	\$ 43,357	\$ 44,666	\$ 1,309
Tax collection fees	15,968	16,289	321
Total taxes	59,325	60,955	1,630
Licenses and permits - building permits	45,000	41,307	(3,693)
State grants - state shared revenue	345,783	363,956	18,173
Charges for services:			
Cemetery services	9,450	6,842	(2,608)
Sanitary station permits	20,000	16,298	(3,702)
Water system revenue	1,000	2,122	1,122
Other	2,050	2,787	737
Total charges for services	32,500	28,049	(4,451)
Interest	5,500	4,595	(905)
Other:			
Special assessments	3,957	4,006	49
Miscellaneous	450	3,074	2,624
Total other	4,407	7,080	2,673
Total revenues	492,515	505,942	13,427
EXPENDITURES:			
Legislative - Township Board	5,855	5,343	512
General government:			
Supervisor	13,270	13,195	75
Elections	1,200	233	967
Clerk	17,305	16,967	338
Board of review	1,025	836	189
Treasurer	26,434	26,280	154
Township hall	20,020	14,948	5,072
Cemetery	15,555	13,165	2,390

**Township of Lee****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - General Fund (Continued)**

Year ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
EXPENDITURES (Continued):			
General government (continued):			
Assessor	\$ 21,224	\$ 20,852	\$ 372
General services	55,800	41,081	14,719
Total general government	171,833	147,557	24,276
Public safety:			
Police	149,139	148,754	385
Building inspections	51,600	48,545	3,055
Total public safety	200,739	197,299	3,440
Public works:			
Highways and streets	72,000	70,979	1,021
Street lighting	4,045	4,011	34
Transfer station	57,470	40,635	16,835
Drains	-	1,535	(1,535)
Water system	1,100	1,066	34
Total public works	134,615	118,226	16,389
Health and welfare - ambulance	9,224	9,223	1
Culture and recreation:			
Parks	2,970	2,902	68
Library	3,060	2,964	96
Total culture and recreation	6,030	5,866	164
Capital outlay	5,000	-	5,000
Total expenditures	533,296	483,514	49,782
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(40,781)	22,428	63,209
FUND BALANCE - BEGINNING OF YEAR	709,517	709,517	-
FUND BALANCE - END OF YEAR	\$ 668,736	\$ 731,945	\$ 63,209

**Township of Lee**  
**COMBINING BALANCE SHEET - special revenue funds**  
March 31, 2004

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	<u>Fire</u>	<u>First Responder</u>	<u>Lower Scott Lake</u>
ASSETS			
Cash	\$ 296,804	\$ 10,050	\$ 56,276
Receivables:			
Taxes	36,021	13,217	-
Special assessments	-	-	1,723
Loans	-	-	-
Due from other funds	131,211	36,965	28,327
Due from other governmental units	<u>4,902</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 468,938</u>	<u>\$ 60,232</u>	<u>\$ 86,326</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 17,763	\$ 1,912	\$ -
Due to other funds	-	-	-
Due to other governmental units	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	17,763	1,912	-
FUND BALANCE:			
Unreserved - undesignated	<u>451,175</u>	<u>58,320</u>	<u>86,326</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 468,938</u>	<u>\$ 60,232</u>	<u>\$ 86,326</u>

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<u>Public Improvement</u>	<u>Revolving Loan</u>	<u>Totals</u>
\$ 138,484	\$ 9,278	\$ 510,892
-	-	49,238
-	-	1,723
-	2,456	2,456
-	-	196,503
-	-	4,902
<u>\$ 138,484</u>	<u>\$ 11,734</u>	<u>\$ 765,714</u>

\$ -	\$ -	\$ 19,675
-	1,403	1,403
-	10,331	10,331
<u>-</u>	<u>11,734</u>	<u>31,409</u>
138,484	-	734,305
<u>138,484</u>	<u>11,734</u>	<u>765,714</u>

**Township of Lee****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - *special revenue funds****Year ended March 31, 2004*

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	<i>Fire</i>	<i>First Responder</i>	<i>Lower Scott Lake</i>
REVENUES:			
Taxes	\$ 167,231	\$ 61,005	\$ -
Federal grants	51,341	-	-
State grants	4,902	-	-
Contributions from local units	14,347	-	-
Interest	2,477	42	417
Other	5	60	30,250
	<u>240,303</u>	<u>61,107</u>	<u>30,667</u>
Total revenues			
	<u>240,303</u>	<u>61,107</u>	<u>30,667</u>
EXPENDITURES:			
Public safety	77,146	11,804	-
Public works	-	-	34,961
Debt service:			
Principal	49,393	-	-
Interest	3,083	-	-
Capital outlay	68,929	21,000	-
	<u>198,551</u>	<u>32,804</u>	<u>34,961</u>
Total expenditures			
	<u>198,551</u>	<u>32,804</u>	<u>34,961</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	41,752	28,303	(4,294)
FUND BALANCE - BEGINNING OF YEAR	<u>409,423</u>	<u>30,017</u>	<u>90,620</u>
FUND BALANCE - END OF YEAR	<u>\$ 451,175</u>	<u>\$ 58,320</u>	<u>\$ 86,326</u>

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<i>Public Improvement</i>	<i>Revolving Loan</i>	<i>Total</i>
\$ -	\$ -	\$ 228,236
-	-	51,341
-	-	4,902
-	-	14,347
2,345	-	5,281
-	-	30,315
<u>2,345</u>	<u>-</u>	<u>334,422</u>
-	-	88,950
-	-	34,961
-	-	49,393
-	-	3,083
-	-	89,929
<u>-</u>	<u>-</u>	<u>266,316</u>
2,345	-	68,106
<u>136,139</u>	<u>-</u>	<u>666,199</u>
<u>\$ 138,484</u>	<u>\$ -</u>	<u>\$ 734,305</u>

**Township of Lee****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - Fire Fund***Year ended March 31, 2004*

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes	\$ 175,653	\$ 167,231	\$ (8,422)
Federal grants	51,341	51,341	-
State grants	-	4,902	4,902
Contributions from local units	13,000	14,347	1,347
Interest	5,800	2,477	(3,323)
Other	1,200	5	(1,195)
Total revenues	<u>246,994</u>	<u>240,303</u>	<u>(6,691)</u>
EXPENDITURES:			
Public safety:			
Salaries and wages	32,295	27,474	4,821
Operating expenses	<u>55,065</u>	<u>49,672</u>	<u>5,393</u>
Total public safety	<u>87,360</u>	<u>77,146</u>	<u>10,214</u>
Debt service:			
Principal	<u>49,393</u>	<u>49,393</u>	<u>-</u>
Interest	<u>3,111</u>	<u>3,083</u>	<u>28</u>
Capital outlay	<u>69,500</u>	<u>68,929</u>	<u>571</u>
Total expenditures	<u>209,364</u>	<u>198,551</u>	<u>10,813</u>
EXCESS OF REVENUES OVER EXPENDITURES	37,630	41,752	4,122
FUND BALANCE - BEGINNING OF YEAR	<u>409,423</u>	<u>409,423</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 447,053</u>	<u>\$ 451,175</u>	<u>\$ 4,122</u>

**Township of Lee****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - First Responder Fund**

Year ended March 31, 2004

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	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes	\$ -	\$ 61,005	\$ 61,005
Interest	120	42	(78)
Other	<u>311</u>	<u>60</u>	<u>(251)</u>
Total revenues	<u>431</u>	<u>61,107</u>	<u>60,676</u>
EXPENDITURES:			
Public safety:			
Salaries and wages	8,181	7,909	272
Operating expenses	<u>4,908</u>	<u>3,895</u>	<u>1,013</u>
Total public safety	<u>13,089</u>	<u>11,804</u>	<u>1,285</u>
Capital outlay	<u>-</u>	<u>21,000</u>	<u>(21,000)</u>
Total expenditures	<u>13,089</u>	<u>32,804</u>	<u>(19,715)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,658)	28,303	40,961
FUND BALANCE - BEGINNING OF YEAR	<u>30,017</u>	<u>30,017</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 17,359</u>	<u>\$ 58,320</u>	<u>\$ 40,961</u>



**Township of Lee****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - Lower Scott Lake Fund***Year ended March 31, 2004*

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	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Interest	\$ -	\$ 417	\$ 417
Other - special assessments	<u>-</u>	<u>30,250</u>	<u>30,250</u>
Total revenues	-	30,667	30,667
EXPENDITURES:			
Public works - contractual services	<u>-</u>	<u>34,961</u>	<u>(34,961)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	-	(4,294)	(4,294)
FUND BALANCE - BEGINNING OF YEAR	<u>90,620</u>	<u>90,620</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 90,620</u>	<u>\$ 86,326</u>	<u>\$ (4,294)</u>

***Township of Lee***

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - *Public Improvement Fund***

*Year ended March 31, 2004*

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	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Interest	\$ -	\$ 2,345	\$ 2,345
FUND BALANCE - BEGINNING OF YEAR	<u>136,139</u>	<u>136,139</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 136,139</u>	<u>\$ 138,484</u>	<u>\$ 2,345</u>

**Township of Lee****STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - Agency Fund***Year ended March 31, 2004*

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	<i>Balance April 1, 2003</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance March 31, 2004</i>
TAX COLLECTION FUND				
ASSETS				
Cash	<u>\$ 2,538</u>	<u>\$ 1,352,654</u>	<u>\$ 1,350,834</u>	<u>\$ 4,358</u>
LIABILITIES				
Due to other funds	\$ 2,538	\$ 250,178	\$ 250,505	\$ 2,211
Due to other governmental units	-	1,098,448	1,096,352	2,096
Due to others	<u>-</u>	<u>4,028</u>	<u>3,977</u>	<u>51</u>
TOTAL LIABILITIES	<u>\$ 2,538</u>	<u>\$ 1,352,654</u>	<u>\$ 1,350,834</u>	<u>\$ 4,358</u>